

Response by Victory Enterprises, Inc. – Davenport, IA
MUR 5691

Key points:

- 1) The television ad in question was first discussed in fall of '04, 18 months before the primary.
- 2) The ad was produced more than a year in advance of the primary.
- 3) The ad had run and was off the air more than eight months before the primary.
- 4) The ad was completely about selling food at the Machine Shed restaurant and reflected the same themes seen on:
 - a. The plaque as you enter the restaurant
 - b. The menu
 - c. Most previous commercials
- 5) The ad followed the themes of the restaurant, nothing else.
- 6) Victory Enterprises has made no illegal corporate contributions. Victory Enterprises charged market rate for the production and on location shoot of the Machine Shed television ad.

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Facts surrounding the complaint:

- 1) Victory Enterprises is a full service advertising agency that provides media and consulting services to corporations, non-profit organizations and political campaigns.
- 2) Among the services Victory Enterprises provides are television production, radio production, Web site design, pay per click search engine advertising, consumer research, print advertising and general marketing consulting.
- 3) Victory Enterprises owns the camera equipment and has a production studio to produce television and radio ads.
- 4) Victory Enterprises has a full complement of corporate and political clients. Those clients have recently included:
 - US Adventure RV (television production, print advertising)
 - Tri-state Equipment Sales (Pay per click advertising, Web site design)
 - Reference Audio Visual (Television Advertising)
 - City of Davenport, Iowa (Web site design and maintenance)
 - Heart of America Restaurants (pay per click advertising, television production)
 - Northwest Bank and Trust (Web, TV, Radio, Print, Consulting)
 - Grow Davenport PAC
 - Whalen for Congress
 - Republican Party of Iowa
 - Missouri State House Republican Campaign Committee
 - Indiana State House Republican Campaign Committee

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5) In January '05, Victory Enterprises began providing consulting services to the Whalen for Congress campaign.

6) In the fall of '04, Steve Grubbs, company president, was visiting with Carmen Darland of Heart of America and the Machine Shed about pay per click Internet search engine advertising. During that meeting she mentioned she needed a new television ad for the Machine Shed restaurants across the Midwest. She described the ad she had in mind. Steve Grubbs offered up the Victory Enterprises production department to produce the ad in mind.

7) Carmen Darland wrote the ad and Steve Grubbs put it into television form.

8) Victory Enterprises arranged to have Victory Enterprises employees show up as extras including Betty Fogle, assistant to Steve Grubbs. Members of VE employee families also participated as extras.

9) Victory Enterprises shot and produced the ad and turned it over to Carmen Darland at Heart of America for use in their marketing campaign. Heart of America did all media placement for the ad.

10) The complaint refers to a denial by Victory Enterprises Vice President Brian Dumas that the company was involved with the ad. The complaint is wrong. The denial came from a news story written by the Associated Press, which was asking about the television ad that was running in November of '05. Victory Enterprises had nothing to do with that ad. The ad VE was involved with was done running by September of '05.

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Statement by Steve Grubbs:

As I understood the law in November of '04, Victory Enterprises could produce an ad for the Machine Shed restaurant as long as it was a purely commercial ad promoting the restaurant and as long as it was not within 30 days of the primary.

That is what the ad did. It was produced in the same theme and general style as most Machine Shed print and broadcast advertising. Those elements include a focus on the "Iowa farm" roots of the menu, a folksy style and inclusion of Mike Whalen, who is the "Colonel Sanders" of the Machine Shed.

For our company, odd-numbered years are always difficult financially, so we work hard to find non-political commercial work to meet our payroll. To us, producing an ad for the Machine Shed was an opportunity to show a local corporation that we could produce a quality advertisement for them and, at the same time, help meet our payroll.

If you review the ad, you will see that it is an ad that is purely focused on selling the restaurant.

I did not work with Mike Whalen on the ad until the day of the shoot. I worked directly with Carmen Darland who handles all corporate advertising.

There was no coordination with the campaign on message, style or any other issue. We simply produced an ad that represented the restaurant well and was consistent with their longstanding themes and messages.

Statement by Brian Dumas:

As vice-president of Victory Enterprises, I work with Whalen for Congress and began formally working with the campaign under a monthly contract in January of 2005.

I did not write the television ad for the Machine Shed, nor did I work with the employees of Heart of America or the Machine Shed on it.

I was not at the restaurant the day of the on-location shoot. Steve Grubbs was the Victory Enterprises employee involved with the writing and production of the Machine Shed restaurant ad.

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The undersigned hereby verify that the foregoing information is true and accurate to the best of their knowledge as are the statements made therein.

Signed on Dec. 23rd, 2005

Kelli R. Grubbs
Kelli R. Grubbs,
on behalf of Victory Enterprises, Inc.



STATE OF Illinois, ROCK ISLAND COUNTY, ss:

On December 23, 2005, before the undersigned Notary Public in and for the State of Illinois, personally appeared Kelli R. Grubbs, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that she executed the same as her voluntary act and deed.

Brian E. Dumas
Brian E. Dumas

Richard L. Gosney Jr.
Notary Public in and for the
State of Illinois

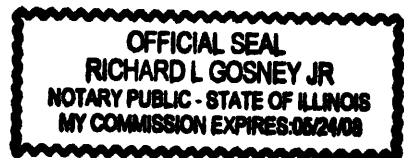
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STATE OF Illinois, ROCK ISLAND COUNTY, ss:

On December 23, 2005, before the undersigned Notary Public in and for the State of Illinois, personally appeared Brian E. Dumas, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that she executed the same as her voluntary act and deed.

Steven E. Grubbs
Steven E. Grubbs

Richard L. Gosney Jr.
Notary Public in and for the
State of Illinois



STATE OF Illinois, ROCK ISLAND COUNTY, ss:

On December 23, 2005, before the undersigned Notary Public in and for the State of Illinois, personally appeared Steven E. Grubbs, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that she executed the same as her voluntary act and deed.

Richard L. Gosney Jr.
Notary Public in and for the
State of Illinois